

## **Audit Committee – 24 July 2018**

### **Audit Committee Revised Work Programme 2018/19 and Training Programme**

#### **Summary of report**

This report outlines the revised work programme for 2018/19 for the Committee's consideration and approval.

#### **Recommendation**

1. To consider, amend as appropriate, and approve the proposed work programme for 2018/19.
2. To consider and approve the proposed training programme.
3. To recommend to Council an amendment to the schedule of meetings as set out within this report.

#### **Resource and legal considerations**

The revised work programme seeks to ensure that the work of Audit Committee is focused on those areas requiring their scrutiny and oversight, specifically the internal control environment and assurance framework.

#### **Citizen impact**

The Committee's work is a major aspect of the council's corporate governance framework. Its wide-ranging remit includes providing independent assurance on the adequacy of the internal control environment. It provides an independent review of governance, risk management, financial reporting and other governance processes, as well as overseeing the work of internal and external audit. This provides assurance to local taxpayers and other stakeholders on the adequacy of the council's arrangements in these regards.

#### **Environment impact**

None arising directly from this report.

#### **Performance and Risk Management Issues**

The Audit Committee plays an important role in providing an independent review of governance, risk management and control frameworks, which include the council's arrangements for performance management.

#### **Equality Implications**

None arising from this report.

#### **Consultation**

The council has regard to CIPFA guidance in establishing the remit and work programme of the Committee.

## Background papers

CIPFA guidance 'Audit Committees Practical Guidance for Local Authorities & the Police'.  
Audit Committee Role, Remit and Work Programme 2018/19 (June Committee)



**Vicky Buckley – Head of Finance**  
**12 July 2018**

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## 1. REVISED WORK PROGRAMME 2018/19

- 1.1 Audit Committee considered a draft work programme at its June meeting alongside their overall remit. The Committee queried the need for certain items to be brought to Audit Committee given their role when there is currently no Constitutional requirement to do so. The Committee requested that officers review the programme and provide a revised version at the next meeting
- 1.2 Officers have reviewed the constitutional requirements and remit of the Committee and other Committees. In light of this, the work programme has been revised and re-organised so that during the course of the year, the Audit Committee gains assurance from each of the elements of the overall governance framework. Reports in relation to treasury management activities, financial performance and financial health indicators will no longer be brought to Audit Committee. Financial management and performance is considered by Cabinet, Council and Scrutiny Committees and treasury management performance is considered by Cabinet, with oversight from Council.
- 1.3 Audit Committee is scheduled to meet 7 times per year. Historically the work programme has evolved to meet the required schedule of meetings. A combination of refocusing activity on the core remit and changes in statutory reporting requirements means that the number of meetings can be reduced. Following removal of treasury management and financial management activity, and rephrasing of some activity, 5 meetings are considered sufficient to cover the core assurance areas for 2018/19, with a manageable agenda for each meeting. For 2019/20 this would be reduce further, with the June Committee no longer needed due statutory reporting changes for the Statement of Accounts, the refocus of the Audit Committee's remit and the rephrasing of work within this years programme.
- 1.4 The draft work programme is attached at **Appendix 1**.

## 2. TRAINING AND DEVELOPMENT

- 2.1 Training on the remit and role of the Audit Committee, the governance framework, including the internal control environment and risk management framework, is planned to take place prior to the July meeting. Additionally, it is proposed that further training and development opportunities are provided to all Committee members, along with individual training, where required, to suit the experiences and skill of individual Members. A proposed training programme for the Committee is as follows:
  - July 2018 - Overview of Role, Remit and Responsibilities; Internal Control Environment and Risk Management
  - September 2018 - Internal Audit and Counter Fraud
  - January 2019 - Assurance Framework, Annual Governance Statement and Risk Management
  - April 2019 – Accounting Policies and the financial statements (Statement of Accounts)
- 2.2 Additional learning and development opportunities may present during the year, including audit committee and governance related seminars. Additionally, CIPFA via their Better Governance Forum network, provide briefings and updates for Audit Committee members, which will be circulated for information and/or follow up.

## WALSALL COUNCIL – AUDIT COMMITTEE WORK PROGRAMME &amp; TIMETABLE – 2018/19

Activity / Area of Assurance	Lead Officer	18 June 2018	24 July 2018	24 Sept 2018	14 Jan 2019	15 April 2019
Draft reports required by Democratic Services for Agenda meeting with Chair	✓		3 <sup>rd</sup> July	4 <sup>th</sup> Sep	11 <sup>th</sup> Dec	26 <sup>th</sup> Mar
Date of Chair's agenda briefing meeting (in Vicky's office @ 4.00pm)	✓		10 <sup>th</sup> July	11 <sup>th</sup> Sep	18 <sup>th</sup> Dec	2 <sup>nd</sup> April
Final Report required by Dem Services	✓	6 <sup>th</sup> June	12 <sup>th</sup> July	13 <sup>th</sup> Sept	2 <sup>nd</sup> Jan	4 <sup>th</sup> April
<b>Audit Committee Work:</b>	<b>CFO</b>					
Audit Committee role, remit and work programme 2018/19	HOF	✓				
Chair's 2017/18 Annual Report to Council	HOF	✓				
Review of the Effectiveness of the Audit Committee	HOF/HIA			✓		
<b>Internal Audit and Risk:</b>	<b>CFO</b>					
Head of Internal Audit Opinion	HIA	✓ (2017/18)				✓ (2018/19 Draft)
Internal Audit Report for the year ending 31 March	HIA	✓ (31 March 2018)				✓ (31 March 2019 Draft)
Internal Audit Progress Report 2018/19	HIA	✓	✓	✓	✓	✓
Risk Management update – Strategic Risk Register (SRR)	HIA		✓		✓	
Risk Management Strategy - Review	HIA				✓	
Counter Fraud and Corruption Arrangements (Policy / Procedure Updates) and training/awareness raising programme	HOF/ HIA			✓		
Audit Charter 2019/20	HIA				✓	
Internal Audit work plan 2019/20	CFO				✓ (Draft)	✓(Final)

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Final Report required by Dem Services		6 <sup>th</sup> June	12 <sup>th</sup> July	13 <sup>th</sup> Sept	2 <sup>nd</sup> Jan	4 <sup>th</sup> April
<b>Financial Management &amp; Statement of Accounts:</b>	<b>CFO</b>					
2017/18 Post Audit Statement of Accs	CFO		✓			
Accounting Policies 2018/19	HOF/ SFM					✓
Treasury Management 2017/18 Annual Report	SFM	✓				
Financial Health Indicators 2017/18	HOF	✓				
<b>Governance / Other:</b>	<b>CFO</b>					
Annual Governance Statement including Annual Review of Effectiveness of Internal Control	HOF	✓ (2017/18)				✓ (2018/19 Draft)
Annual Review of the Scheme of Delegations to Officers	MO					✓
Assurance Map and Governance framework Update	HOF/HIA				✓	
Performance Framework	CAM		✓			
Annual Regulation of Investigatory Power Act (RIPA) Report 2017/18	DPH		✓			
Reporting of external inspections and reviews - as they arise	HOF					

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<b>Specific External Audit Work</b>	<b>EY/GT</b>					
External Audit's request for information on how the Audit Committee gains assurance over management processes and arrangements	<b>CFO / MO</b>	✓(2017/18 accounts)				✓(2018/19 accounts)
Annual Report to those Charged with Governance (ISA260) 2017/18 (including the opinion on the financial statements and VFM conclusion)	<b>EY</b>		✓			
Annual Audit & Inspection Letter 2017/18	<b>EY</b>			✓		
Annual Certification Work 2017/18	<b>EY</b>				✓	
External Audit Plan 2019/20	<b>GT</b>				✓	

<b>Key to Lead Officer:</b> <b>CAM</b> – Corporate Assurance Manager <b>CFO</b> – Chief Finance Officer (S151 Officer) <b>DPH</b> – Director of Public Health <b>EY</b> – Ernst Young (External Audit - 2017/18) <b>GT</b> – Grant Thornton (External Audit - 2018/19+)	<b>HIA</b> – Head of Internal Audit (Mazars) <b>HOF</b> – Head of Finance <b>MO</b> – Assistant Director of Legal & Democratic Services (Monitoring Officer) <b>SFM</b> – Senior Finance Manager (Statement of Accounts / Treasury Management)
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### Foreword Plan

1. Training is proposed as follows:  
July 2018 - Overview of Role, Remit and Responsibilities; Internal Control Environment and Risk Management  
September 2018 - Internal Audit and Counter Fraud  
January 2019 - Assurance Framework, Annual Governance Statement and Risk Management  
April 2019 – Accounting Policies and the financial statements (Statement of Accounts)  
Audit Committee training will also take place as and when policies and procedures are updated.
2. Independent Member appointment to be scheduled.
3. Contract and Finance Rules (Constitution) were subject to a detailed update in 2015/16. Further updates will be considered when the Regulations change.